

CHARTER TOWNSHIP OF MUNDY

Poverty Exemption Policy and Procedure

Pursuant to MCL.211.7u, the Board of the Charter Township of Mundy and the Board of Review has established the following procedures and criteria for the uniform application and determination of poverty exemptions.

- 1.) Any property owner or taxpayer, as defined by state law, may apply for a poverty exemption by submitting the required petition and application to the Board of Review during the March session. A copy of that application must be made available by the applicant at least one week before the Board of Review to the Township Assessor.
- 2.) The burden of proof of poverty rests with the applicant. The applicant must supply the application and supporting documents as required by this statement of policy and procedures. Those documents shall include the following:
 - A. The complete, notarized application for the poverty exemption and
 - B. The most recent (immediate preceding year) Michigan Income Tax return with all attachments including the MI-1040 CR and
 - C. The most recent (immediate preceding year) Federal Income Tax return with all attachments.
- 3.) The determination of qualification for a poverty exemption shall be based on:
 - A. The adjusted Income of the applicant
 - B. The size of the family unit
 - C. The assets of and availability of income to the applicant
- 4.) The applicant's reported income shall be reviewed and adjusted, subject to:
 - A. Gross taxable income shall be adjusted with a factor of 0.72. This allows 28% of employment income to meet any payroll tax liability. In the discretion of the Board of Review, actual tax liability as reflected on the prevalent tax returns may be used.
 - B. If the applicant is 65 years or older, all other income shall be adjusted with a factor of 0.85. This allows 15% of such income to meet medical needs
 - C. A 100% allowance and adjustment for medical insurance premiums paid by the applicant, for the applicant's personal benefit, as reported on the MI-1040 CR.
 - D. An adjustment to the applicant's gross income for typical expenses for medical care.
- 5.) The determination of the size of the family unit shall be reflective of Michigan Income Tax procedures in general. The allowance for a family unit shall consider:
 - A. Each applicant shall be entitled to one "allowable exemption" for each such verified member of the family.
 - B. An additional $\frac{1}{2}$ "allowable exemption" may be granted for:
 1. Applicant is 65 years or older
 2. Spouse of applicant is 65 years or older
 3. Applicant is paraplegic or quadriplegic
- 6.) The "Adjusted Income" level for each family unit that qualifies for a poverty exemption shall be set based on the following standard for "poverty".

FEDERAL POVERTY INCOME STANDARDS FOR 2013 ASSESSMENTS

The following are the federal poverty income standards as of 12-31-2012 for use in setting poverty exemption guidelines for 2013 assessments. Please see STC Bulletin No. 5 of 2012 for additional information on poverty exemptions.

Number of Persons Residing in Homestead	Poverty Threshold
1 person	\$ 11,170.00
2 persons	\$ 15,130.00
3 persons	\$ 19,090.00
4 persons	\$ 23,050.00
5 persons	\$ 27,010.00
6 persons	\$ 30,970.00
7 persons	\$ 34,930.00
8 persons	\$ 38,890.00
Each additional person	\$ 3,960.00

Updated 1-01-2013

IMPORTANT NOTE: PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit SHALL also include an asset level test.

7.) In the determination of the granting of any poverty exemption, all assets of the applicant, as well as all available sources of income or funds shall be considered.

8.) The granting of a poverty exemption may be partial or total, but shall require the concurrence of both the Board of Review and the Assessor. The allowance of any exemption for a qualified applicant shall be based on 5% of income for property tax purposes.

In order to be considered for a poverty exemption, the following steps must be completed:

- 1.) **COMPLETE THIS APPLICATION IN FULL. It must be returned to the Assessor at least one week before the Board of Review.**
- 2.) A completed and signed, **most recent Federal and Michigan Tax returns, including all attachments**, including the Property Homestead Credit Form, must be submitted with your application.

If your application is not **FULLY** completed and does not have the necessary copies and attachments **your application will be considered incomplete**. Incomplete applications will not be considered as a formal request by the applicant and withdrawn for the consideration of a poverty exemption. If an applicant has special needs that require assistance presenting their circumstances to the Board of Review, they should contact the Township Assessor.

Please be aware that as an applicant for a Poverty Exemption, you must also comply with the following section of Michigan Compiled Laws relative to General Property Tax:

Section 211.118 provides: "Any person who, under any of the proceedings required or permitted by this act shall willfully swear falsely, shall be guilty of perjury and subject to penalties."

Section 211.119 provides: "... a person who willfully neglects or refuses to perform a duty imposed upon that person by this act, when no other provision is made in this act, is guilty of a misdemeanor, punishable by imprisonment for not more than six months, or a fine of not more than \$3800.00, and is liable to a person injured to the full extent of the injury sustained."

****Mundy Township Assessing Department is audited by the State of Michigan. We must have all copies of information on file in order to process your request. We are here to assist you. If you need help understanding what is being asked or filling out the forms, please ask, we are more than willing to help.**

POVERTY EXEMPTION DECLARATION

Petition Number: _____

Owner's Name
Mailing Address
City, State and Zip

NOTE: Any person making a false statement for the purpose of exemption from taxation shall be guilty of the crime of perjury and shall be punished to the full extent of the law.

Assessed Value	Taxable Value	Year	Property Identification Number
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IMPORTANT: It is necessary that you fill out this petition as carefully as you can. All questions **MUST** be answered. You **MUST** provide supporting information, such as income tax returns, contracts, mortgage receipts, bank statements, etc for the Board of Review to examine.

1. PERSONAL INFORMATION		Check the box to indicate if you or your spouse qualifies as any of the following: <input type="checkbox"/> Paraplegic, Quadriplegic or Hemiplegic <input type="checkbox"/> Totally or Permanently Disabled <input type="checkbox"/> Veteran <input type="checkbox"/> Blind
Your Social Security Number: _____	Age as of December 31 of last year: _____	
Spouses' Social Security Number: _____	Age as of December 31 of last year: _____	
*By signing this page, I hereby grant permission to review the income tax files in order to process this application.		
Did you receive a Homestead Property Tax Credit from the State of Michigan? Yes No		

2. HOUSEHOLD INFORMATION			
Please list all members of your household and their ownership interest in property.			
Name: _____	Age: _____	SSN: _____	
Name: _____	Age: _____	SSN: _____	
Name: _____	Age: _____	SSN: _____	
Name: _____	Age: _____	SSN: _____	

If necessary, please attach a separate sheet of paper for additional names.

Petitioner (If different from owner)	Date
Mailing Information(if different from owner information)	Telephone Number

3. Annual Household Income: Report all sources of income for all members of the household.

A. Salaries, wages, tips & other employee compensation (including strike, sick & SUB pay	\$
B. All dividends and interest (including non-taxable interest)	\$
C. Rent, royalty & net business income	\$
D. Retirement pensions, annuity and IRA Benefits	\$
E. Capital gains less capital losses	\$
F. Alimony, child support & other support income--please describe	\$
G. Social security, SSI or railroad benefits	\$
H. Unemployment compensation	\$
I. Public Assistance--food stamps, fuel assistance, etc	\$
J. Workers Compensation, veteran disability compensation	\$
K. Other-describe	\$
TOTAL ANNUAL HOUSEHOLD INCOME (total lines A-K)	\$

4. Investments-Please provide a list of all stocks, bonds mortgages, land contracts and annuities, US savings bonds or any other investments you may have.

Description of Investment	Present Value	Income Earned Last Year

5. Real Estate-Please provide a list of all property owned in full or in part by you or by a member of your household (houses, land, cottages, garages, stores, etc) DO NOT include your homestead

Address of Property	Owner	Value	Taxes Paid Last Year

6. Expense Information-Please state average monthly expenses

House Payment	_____
Life Insurance	_____
Health Insurance	_____
House Insurance-if not in payment	_____
Auto Insurance	_____
Utilities	_____
Telephone-Cell Phone	_____
Other Loans	_____
Medical-not covered by insurance	_____
Cable	_____
Other-specify	_____

PLEASE READ CAREFULLY

I/We, am/are unable to pay the full property taxes on the above described property and hereby make application for tax relief in accordance with Section 211.7u Michigan Compiled Laws I/We have read this application and fully understand the contents thereof. I/We declare that the statements made herein are complete, true, and correct to the best of my/our knowledge. I/We further understand that if any information contained herein is found to be false or incomplete, any and all relief granted by this application will be forfeited and placed back on the assessment roll with penalties and interest occurring on the additional tax liability in accordance with Section 211.119 Michigan Compiled Laws. All information will be held in strictest of confidence.

Petitioner's Signature _____

Spouse's Signature _____

Subscribed and sworn before me this _____ day of _____, 20____.

_____, Notary Public

_____ County, Michigan

My Commission expires: _____

For those applicants that do NOT file an income tax return, please read and sign below.

For the tax year on this application that I am applying for a poverty exemption, I did not file an income tax return.

Sign Name

Date

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____

Signature of Person Making Affidavit

Date